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C O N F I D E N T I A L SECTION 01 OF 03 KUALA LUMPUR 000837

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SUBJECT: PM NAJIB LEADS UMNO PARTY CONVENTION WITH FOCUS ON  
INTERNAL REFORMS

Classified By: POLCOUNS Brian McFeeters for reasons 1.4 (b, d).

SUMMARY AND COMMENT

11. (SBU) At the United Malays National Organization (UMNO) annual general convention, October 13-16, Prime Minister Najib was successful in pressing for several important reforms of the party's constitution. The number of delegates who will elect the next UMNO President (i.e., the Prime Minister, assuming the National Front coalition remains dominant) and other party leaders was increased from 2,510 to 146,500, and six other changes to the party's constitution, including opening up more opportunities for women in the party were adopted. Najib gave a well-received keynote speech that highlighted the importance of UMNO reaching out to non-Malays, while carefully ensuring that the privileges of ethnic Malays would be protected. The positive atmosphere of the four day event was heavily reported in the government-controlled mainstream media. The opposition party's efforts to counter the UMNO hoopla and its longer-term strategy to win back popular support since the 2008 general elections was relatively muted and limited to the blogosphere.

12. (C) Comment: The reforms should have a modest effect within Malaysia's largest and most powerful political party. Democratizing the party's election process should greatly reduce vote buying for party leadership positions and allow more challengers to enter the political fray at all levels. The reforms are not as sweeping as the Malaysian media has portrayed them, however, given that in large part they only represent a return to the status quo ante of 1988 when former PM Mahathir rescinded these party constitutional provisions.

13. (C) Comment continued: More significant than the UMNO reforms, however, is that any doubts regarding PM Najib's leadership within the party have been largely put to rest. After taking over in March in the midst of quiet uncertainty throughout the party (reftel), he has emerged as the undisputed leader of UMNO. At this point, Najib should enjoy strong support from his party until he calls for the next general election, likely not until 2013, giving him a wider latitude to pursue his objectives than he previously had. The focus of Najib's keynote speech was more about strengthening still-dominant UMNO for the sake of Malays than increasing UMNO's appeal to non-Malays. End Summary and Comment.

UMNO'S GENERAL MEETING: WELL-PLANNED, WELL-EXECUTED

14. (SBU) UMNO held its 2009 Annual General Assembly (AGM) with great fanfare from October 13-16, the first since March 2009 (reftel), when then Deputy-PM Najib Tun Razak was selected as the next Prime Minister of Malaysia and President of UMNO. Part constitutional convention and part pep rally, the AGM ran so smoothly that UMNO delegates took only 90 minutes to debate and pass the changes to the party constitution, with all but one passing unanimously. Based on

television coverage, delegates to this AGM appeared engaged, unlike in previous AGMs where many were shown reading newspapers.

15. (SBU) The 2,541 delegates voted to alter 36 clauses and sub-clauses in seven main articles. Of the seven articles, three are considered significant. First, the number of eligible party members who can vote for the party's leadership was increased from 2,510 members to 146,500, effective in 2011. Second, the requirements for members to run for party positions have been eased. Third, the women's wing, known as Wanita UMNO, will have automatic appointments to seats on committees at the branch, divisional, and supreme council levels.

#### NAJIB'S SPEECH: REACHING OUT, BUT STILL PROTECTING MALAYS

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16. (SBU) PM Najib opened his keynote speech in a surprisingly defensive posture, focusing on race in Malaysia. Najib rejected the idea that UMNO was a "power-crazy...racist organization." After noting that "blatant racism was the norm" in the U.S. until the mid-1960's, Najib said that UMNO's cooperation with other component parties (the Malaysian Chinese Association and the Malaysian Indian Congress) in the National Front Coalition, its cultural tolerance, and its sponsorship of vernacular schools all proved that it was not racist.

17. (SBU) Striking a reformist and almost penitent tone, Najib issued a number of challenges to UMNO members, noting that since the March 2008 general election (when the National

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Front coalition lost its unbroken two-thirds majority in Parliament and barely won the popular vote), "UMNO's political enemies have begun to speculate about the downfall of this cherished party." Thus, Najib exhorted to delegates, UMNO should not be seen as the party of those seeking wealth; instead it should "open itself to constructive changes"; should actively seek out new members at the grassroots level; and should pick leaders "known for their integrity in executing their duties."

18. (SBU) Najib walked a fine line by recommending that UMNO embrace all Malaysians, while also going to considerable lengths to reassure Malays that Malay interests would continue to be protected. Reaching out to non-Malays, Najib said, "UMNO cannot be seen as party which is passionate in fighting for a small group. We want UMNO to be seen and accepted fully as an inclusive party that puts the people ahead of its interest." Later he added, "UMNO's relevance as a governing party depends on how far is can successfully capture the imagination of not only the Malays but all Malaysians." Najib did not dwell on UMNO's role as promoter and protector of Islam, usually a key element of UMNO speeches, instead touching on his inclusive, but vaguely defined, "1Malaysia" concept.

19. (SBU) Najib's comments on preserving Malay privileges were more specific than his effort at outreach to non-Malays. After a discussion of the New Economic Policy (launched in 1971 to advance Malay economic interests), Najib acknowledged that the policy might need "new strategies" but he then zeroed in on the needs of Malays. Even though there was now a large group of middle-income and professional Malays, "the fact is, in general, the Malays are seen as still being left behind and in need of assistance. That is our main contention." He later made clear that constitutional provisions protecting Malays' special status will not be changed. Najib asserted that "the Government has done so much for the people," and reeled off a list of statistics on various kinds of assistance it has provided.

#### REACTIONS

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¶10. (SBU) Reactions to the changes to UMNO's constitution, the PM's speech, and the overall impact of the 2009 UMNO AGM were unfailingly positive from Malaysia's state-controlled media. Deputy PM Muhyiddin Yassin said "Without the quota system and rules, it will enable the democratic process to be stronger and sincere." Engaging in some hyperbole, UMNO Vice President Ahmad Zahid Hamidi zealously noted that "the changes are radical. This is something which has never been done before by anybody." Kedah politician and UMNO member Rosnah Majid commented "some people had lost heart especially after we lost all those by-elections, but he has renewed our spirit." UMNO Vice President (and also Home Minister and Chairman of the UMNO Constitutional Amendments Committee) Hishamuddin Hussein praised his party because "this is clearly a manifestation of UMNO leaders' openness and democracy towards the expectations of party members and the people."

¶11. (SBU) The Malaysian-language and Malay mouthpiece "Utusan Malaysia" got behind the PM's message with some frank criticisms of UMNO as an apparent means to spur party members toward reform. For example, one October 18 article on "young people's reactions" included quotes from six young Malays, three men and three women, each with a smiling picture, saying that UMNO needed to earn people's trust rather than be known only for "mega-projects and wealth"; that young people saw UMNO as "elitist" with "arrogant leaders"; that UMNO leaders neglected youth and looked after their private interests; and that it was not yet clear that UMNO would really change after the excitement of the AGM died down.

¶12. (SBU) Former PM Mahathir Mohamad lauded Najib's "inspiring" speech, but cautioned UMNO must now "walk the talk." In an op-ed and in his blog, the former PM challenged Najib to follow through on his promises. Opposition leader Anwar Ibrahim called the reforms "impressive pronouncements," but cautioned "the people will judge UMNO by its actions." Anwar, quoted by the "Malaysian Insider" blog, pointed out that party reforms don't matter; the reforms that matter are those in the media, police, and judiciary. He noted that the UMNO-controlled media was still racist and still expressed negative sentiments against non-Malays.

#### THE SEVEN AMENDMENT'S TO UMNO'S CONSTITUTION

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¶13. (U) The seven amendments to UMNO's constitution are as follows:

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-- The number of delegates who elect the top party officials will increase from 2,510 to 146,500; UMNO has approximately 3 million members.

-- There will be a registration system to replace the nomination quota system. Those wanting to contest top party posts will have to be committee members at one of the 17,000 UMNO divisions for at least one term.

-- The women's wing will have automatic representation on committees at the branch, divisional, and supreme council levels.

-- The elections at the divisional and supreme council levels will be held simultaneously.

-- The annual membership fee will be replaced by a lifetime membership fee of 2 Malaysian Ringgit (\$.70 USD), meant to make it as easy as possible to attract new members.

-- Chiefs in the UMNO Youth, Women's, and Young Women's wings (known as UMNO Youth, Wanita UMNO, and Puteri UMNO) will be given the mandate to verify new membership at the branch level.

-- Divisional secretaries will automatically be recognized as delegates to the UMNO general assembly.

KEITH